SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. *For the quarterly period ended* **June 30, 2010**

2. *SEC Identification Number* **AS093046**

3. *BIR Tax Identification No*. **003-831-302-000**

4. *Exact name of issuer as specified in its charter* **ALLIANCE GLOBAL GROUP, INC.**

5. **METRO MANILA, PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. (*SEC Use Only)*
   Industry classification code

7. **7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark**
   188 E. Rodriguez Jr. Ave., Bagumbayan, 1110 Quezon City
   Address of principal office

8. **(632) 70920-38 to -41**
   Registrant's telephone number, including area code

9. *Securities registered pursuant to Sections 8 and 12 of the SRC, or secs. 4 and 8 of the RSA*

Title of Each Class	*Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding*
Common	**9,719,727,979** (Net of 550,100,000 shares acquired under the buy-back program

10. *Are any or all of these securities listed on a Stock Exchange?* **Yes, on the Philippine Stock Exchange.**

11. *(a) AGI has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months.*

    (b) AGI has been subject to such filing requirements for the past ninety (90) days.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Statements of Financial Position
Consolidated Statements of Comprehensive Income
Consolidated Statements of Changes in Equity
Consolidated Statements of Cash Flows
Notes to the Interim Consolidated Financial Statements
Aging Schedule of Trade and Other Receivables Under Current Assets

The interim consolidated financial statements have been prepared in accordance with the Philippine Financial Reporting Standard (PFRS) PAS 34, Interim Financial Reporting. They do not include all of the information required for full annual consolidated financial statements, and thus should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended December 31, 2009.

The accounting policies and methods used in the interim financial statements are consistent with those applied in December 31, 2009 audited annual financial statements. Some reclassifications were made to the 2009 interim financial statements to conform to 2010 presentation.

The interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries, after elimination of material intercompany transactions. In addition, shares of stock of the Company acquired by any of these subsidiaries are recognized as treasury stock and presented at cost in the consolidated statements of changes in equity. The financial statements of subsidiaries are prepared for the same accounting period as the Company's, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The consolidated financial statements are presented in Philippine pesos, the Group's functional currency and presentation currency, and all values represent absolute amounts except when otherwise indicated.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. These consolidated financial statements have been prepared on the historical cost basis, except for the measurement of certain financial assets and liabilities. Accounting estimates, assumptions and judgments are used in preparing these statements. Although these estimates and assumptions are based on management's best knowledge of current events and actions, historical experience, and evaluation of relevant facts and circumstances, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from such estimates.

For a more thorough understanding of the accounting policies used in the preparation of the financial statements, reference should be made to the last year-end audited consolidated financial statements, particularly the notes thereto. A copy of annual report filed under SEC Form 17-A may be found in the Company's website [allianceglobalinc.com] and PSE website [pse.com.ph].

In the normal course of business, there were intercompany transactions among the Company and its subsidiaries and these were eliminated in consolidation. Subsidiaries are consolidated from the date the Company obtains control. The difference between the cost of investments and the Company's proportionate share in the underlying net assets of a subsidiary at date of acquisition is carried as goodwill and included under Intangible Assets in the consolidated statements of financial position.

During the interim period, there were no other known items –such as trends, demands, commitments, events or uncertainties- affecting assets, liabilities, equity, sales, revenues, net income or cash flows that were unusual because of their nature, size, or incidents, and that will result in or that are reasonably likely to result in the liquidity increasing or decreasing in any material way, or that would have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

Business Segments

The Group classifies its businesses into the following segments, each managed separately and each representing a strategic business unit that offers different products and serves different markets. Entities not classified under these main business segments are presented as part of corporate and investments.

- Food and beverage segment (F&B) includes the manufacture and distribution of distilled spirits (under the labels of Emperador Brandy, Generoso Brandy and The Bar flavored alcoholic beverage), glass containers and potato snack products (under Pik-Nik label). It also includes the distribution of consumer products under international labels. Emperador Distillers Inc. front runs this segment.
- Real estate segment (RE) involves the investment in and development of real estate, lease of properties, and hotel development and operations. The segment includes publicly-listed Megaworld Corporation (Megaworld or MEG) and Travellers International Hotel Group, Inc. (Travellers) (which is being reported under equity method).
- Quick service restaurant business (QSR) operates under the McDonald's brand, in accordance with a master franchise agreement with McDonald's USA. Golden Arches Development Corporation represents this segment.
- Integrated tourism development involves the development and operations of leisure and resorts projects under Travellers. Maiden project is Resorts World Manila in Newport City across NAIA 3. Results of operations of this segment is presented under RE since Travellers is being reported under equity method.

Please refer to the Note 1 to the audited annual consolidated financial statements for a list of subsidiaries, associates and joint venture in each business segment category.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Key Performance Indicators

Presented below are the top five (5) key performance indicators of the Company and subsidiaries as of and year-to-date ended June 30:

	2010	2009
Revenue growth	22.11%	12.79%
Net income growth	35.67%	33.27%
Attributable to controlling interest	42.88%	52.10%
Net income rate	22.69%	20.43%
Attributable to controlling interest	17.34%	14.82%
Return on investment	3.59%	3.02%
Using net income attributable to controlling interest	2.75%	2.19%
Current ratio [times]	3.09	2.87

- Revenues growth – measures the percentage change in revenues over a designated period of time. Performance is measured both in terms of amount and volume, where applicable.
- Net income growth – measures the percentage change in net income over a designated period of time
- Net income rate– computed as percentage of net income to revenues - measures the operating efficiency and success of maintaining satisfactory control of costs
- Return on investment [or capital employed] – the ratio of net income to total assets - measures the degree of efficiency in the use of resources to generate net income
- Current ratio – computed as current assets divided by current liabilities – measures the ability of the business to meet its current obligations. To measure immediate liquidity, quick assets [cash, marketable securities, accounts receivables] is divided by current liabilities.

Results of Operations – First Half

Comparative interim results per segment were as follows:

	Revenues			Income before tax		
(In Millions)	2010	2009	%	2010	2009	%
F&B	4,037	2,753	47	588	385	53
RE	9,817	8,678	13	3,538	2,593	36
QSR	5,238	4,672	12	469	295	59
Corporate	2,168	1,307	66	1,414	1,100	29
Total	21,260	17,410	22	6,009	4,373	37

	2010	2009	%
Tax expense	(1,184)	(817)	45
Net income	4,825	3,556	36
Attributable to controlling interest	3,687	2,581	43

AGI continued its growth momentum and broke again its quarterly and semestral records, as all the business segments improved on their first half net results year-on-year. Consolidated net income for the first half expanded by 36% to P4.82 billion from the P3.56 billion reported a year earlier while net income after non-controlling interest was 43% higher at P3.69 billion as compared to P2.58 billion the previous year. This quarter's net income has climbed up further by 18% from the first quarter and by 65% from a year ago.

Revenues increased by 22% year-on-year to P21.26 billion from P17.41 billion on the back of growth in consumer products sales (P1.72 billion), finance and other income (P983 million), share in net profits of associates and joint venture (P589 million) and in service rendering (P450 million). The top three sources of revenues are sales of goods, real estate sales, and finance and other income which contributed 42%, 29% and 13%, respectively, to total revenues for the six-month period. Segment-wise, RE contributed the highest (46%) this year, followed by QSR (25%) and F&B (19%).

RE revenues come from sale of residential lots and condomiums, from rental/lease of office and commercial space, hotel operations, and finance and other income. Revenues went up by 13% during the first half of the year. While RE sales comprised 62% of RE revenues, it remained stable with less than 1% growth year-on-year. Property rental income from office and retail tenants, which represented 14% of RE revenues, increased by 43% due to high occupancy in both the BPO offices and retail spaces, and escalation of rental prices.

RE revenues included the P595 million share in net profits of Travellers, AGI's integrated-tourism vehicle, in the first half. Resorts World Manila opened its gaming facilities in August 2009, the five-star Marriott Hotel two months after; and the all-suite Maxims Hotel and budget-hotel Remington are set to formally open in third quarter this year and second quarter next year, respectively. Also, the development of a fourth hotel, four-star Hamilton, in the area is in the offing.

F&B revenues swelled by 47% from a year ago and this was attributed to the 53% growth in sales of distilled spirit drinks. The demand for the brandy products, being premium items, was affected by competition and inflation a year ago but market was again captured with the introduction of The Bar, a fruity-flavored alcoholic beverage, in April 2009, The Bar comes in flavored gin (lemon&lime) and flavored vodka (orange, apple, and strawberry) variants. A lighter brandy, Emperador Light, was launched in December 2009. Pik-Nik sales rose by 20% this year from a year ago, with its international sales outside of USA gaining 40%. The 9-oz original shoestring potatoes are now being sold "transfat free" in the USA with a new label.

QSR revenues from McDonald's grew by 12%. Product sales generated from company-operated restaurants, in particular, went up by 10% and revenue from franchised restaurants, substantially rental income, by 18%. The improvement came from the expansion of its store chain and business extensions (8McDo hub, 24-hour service delivery, dessert kiosks). Ten stores were opened while five were closed from a year ago, bringing the total number of stores nationwide to 298 stores by end-June this year. Product promotions were continuously launched during the first half to add selection variety and entice consumer patronage. There are now dessert centers with raspberry sundae, waffle cone and strawberry dip, strawberry and blueberry sundae and green apple float. The Everyday McSavers and value meals continued in the first half

Costs and expenses went up by 17%. Costs increased by 10% primarily due to the higher product sales and service rendition. Despite the increase in costs, gross profit margins improved by about 9%. In F&B, for instance, the increase in the cost of molasses and sugar was partly offset by the effect of improved peso on the imported components.

The top three cost components in the manufacture of alcoholic drinks were raw materials, depreciation and amortization, and rent, comprising about 94% of cost. In the QSR, these were food and paper, rental, personnel costs, depreciation and amortization, representing about 90% of cost.

Operating expenses increased by 27%. The top three components were advertising and promotions, salaries and employee benefits, royalty, depreciation and amortization which accounted for about 60% of operating expenses

Finance and other income, net of finance costs and other charges, went up by 28% to P1.6 billion fromP1.3 billion a year ago, due to realized foreign currency gains and fair value gains on financial assets.

Tax expense totaled P1.2 billion from P817 million a year ago as a result of increased sales and profits.

EBITDA this year amounted to P6.3 billion as compared to P5.2 billion a year ago, representing 29.7% and 29.8% margin, respectively.

Financial Condition

Consolidated total assets amounted to P134 billion at end-June from P128 billion at beginning of year, primarily because of increased activity in the RE segment.

Cash and cash equivalents increased by P2.6 billion - from P31 billion at the beginning to P34 billion at the end of the semester. Cash flows from operating, financing and investing activities during the period were presented in the interim consolidated statements of cash flows.

Financial assets at fair value through profit or loss decreased by P1.4 billion this period, from P2.1 billion to P706 million, primarily due to sale of marketable securities and foreign currency options. The Group does not actively engage in the trading of financial assets for speculative purposes.

Trade and other receivables, current and noncurrent portions combined, increased by P1.6 billion due to increased sales activity in RE.

Inventories increased by P619 million from P7.8 billion to P8.4 billion because of increase in condominium units for sale, McDonald's Happy Meal toys for launching in third quarter, and chicken and fries in anticipation of higher demand.

Available-for-sale financial assets decreased by P328 million from P967 million to P639 million primarily due to disposal of investment. These financial assets include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. These financial assets are reported at fair values by reference to published prices in an active market. The fair value loss during the period, which amounted to P5 million, is reported as net unrealized fair value loss under other comprehensive income in the consolidated statement of comprehensive income and under revaluation reserves in the consolidated statement of changes in equity.

The increases in property development costs, advances to landowners and joint ventures, investment property, customers' deposits, other current liabilities, reserve for property development, deferred tax liabilities and deferred income on real estate sales, were attributed to pumping up of development and lease activities in the RE segment. The reserve pertains to cost to complete the development of various projects while the deferred income represents unearned revenue.

Trade and other payables went down by P357 million from P11.0 billion to P10.6 billion due to payment of outstanding obligations, including accrued liabilities at beginning of the year. Included here is the P583 million dividends payable to stockholders on August 10, 2010 at 6¢ per share outstanding.

Interest-bearing loans and borrowings, current and non-current combined, went up by P758 million during the period from P10.6 billion to P11.3 billion due to a new loan availed from a local bank.

Retirement benefit obligation increased by P16 million from P357 million to P377 million due to regular accrual of retirement benefits.

The changes in equity components are presented in detail in the consolidated statements of changes in equity.

Treasury shares are AGI shares acquired but not cancelled and which are carried at cost in the consolidated statements of changes in equity. These include shares held by AGI under its buy-back program and those held by certain subsidiaries. The fair value gains (losses) on the shares held by subsidiaries were eliminated in full and were not recognized in the consolidated financial statements

Accumulated translation adjustments represent the translation adjustments resulting from the conversion of foreign currency denominated financial statements of certain subsidiaries into the Philippine pesos, the Group's presentation currency. The P14 million translation gain during the period represented the strengthening of the Philippine pesos during the period.

Revaluation reserves represent cumulative changes in unrealized gain or loss in fair value of available-for-sale financial assets.

The Company declared cash dividends equivalent to 6 centavos per share in June 2010, The dividends are payable on August 10, 2010.

The consolidated balance sheets showed strong liquidity. Current assets as of beginning and end of the period totaled P60.8 billion and P62.3 billion, respectively, while current liabilities for the same periods remained low at P19.9 billion and P20.1 billion, respectively. Current ratios were 3.09:1 and 3.06:1 as of end and start of the current period, respectively. Debt-to-equity ratios remained low at 0.56:1 and 0.50:1 at end and beginning of the period respectively, while interest-bearing-debt-to-equity ratios were 0.23:1 and 0.19:1 at the end and beginning of the period.

Prospects for the future

AGI remains focused on its business programs despite the global economic slowdown. The higher cost of commodities, volatility of foreign currency rates, and softening of consumer spending may have affected the business environment, but AGI is committed to face challenges head-on and proves to be resilient. Management will continue to adopt prudent measures to ensure financial sustainability and look for new opportunities that will enhance the overall profitability of the group while maintaining established markets.

Others

There were no other known material events subsequent to the end of the interim period that would have a material impact in the interim period.

There are no other known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way. The Company does not have nor anticipate having any cash flow or liquidity problems within the year. AGI and its subsidiaries are not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no other known events that will trigger direct or contingent financial obligation that is currently considered material to the Company, including any default or acceleration of an obligation. There are no other material off-balance sheet transactions, arrangements, obligations, and other relationships with unconsolidated entities or other persons created during the reporting period.

There are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. There are also no known events that will cause material change in the relationship between costs and revenues.

There are no other significant elements of income or loss that did not arise from continuing operations.

The business has no seasonal aspects that had a material effect on the financial condition and results of operations of the Group.

SIGNATURE

Pursuant to the requirements of Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Alliance Global Group, Inc.
Issuer

By:

Dina Inting
First Vice President for Finance
& Corporate Information Officer
& Duly Authorized Officer
August 10, 2010

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND DECEMBER 31, 2009
(Amounts in Philippine Pesos)

	Notes		June 30, 2010 (UNAUDITED)		December 31, 2009 (AUDITED)
A S S E T S					
CURRENT ASSETS					
Cash and cash equivalents		**P**	**33,732,763,007**	P	31,145,329,040
Trade and other receivables - net			**14,416,155,622**		15,088,937,770
Financial assets at fair value through profit or loss			**706,280,937**		2,138,671,132
Inventories - net			**8,409,819,126**		7,790,351,318
Property development costs			**4,033,729,537**		3,720,702,927
Other current assets			**1,021,072,409**		930,915,341
Total Current Assets			**62,319,820,638**		60,814,907,528
NON-CURRENT ASSETS					
Trade and other receivables			**15,775,789,320**		13,538,300,935
Advances to landowners and joint ventures			**2,708,026,496**		1,208,026,496
Land for future development			**1,269,561,000**		1,269,561,000
Available-for-sale financial assets			**638,662,988**		966,756,842
Investments in and advances to associates and other related parties			**24,765,060,036**		23,748,923,803
Property, plant and equipment - net			**4,769,914,202**		4,953,385,820
Investment property - net			**9,553,303,596**		9,381,736,357
Intangible assets - net			**11,325,245,303**		11,378,085,052
Deferred tax assets - net			**258,319,463**		265,760,166
Other non-current assets - net			**820,834,819**		811,272,952
Total Non-current Assets			**71,884,717,223**		67,521,809,423
TOTAL ASSETS		**P**	**134,204,537,861**	P	128,336,716,951

	JUNE 30, 2010 (UNAUDITED)	DECEMBER 31, 2009 (AUDITED)
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Interest-bearing loans and borrowings	**P 1,482,367,430**	P 2,266,848,820
Trade and other payables	**10,656,940,914**	11,014,010,815
Customers' deposits	**1,190,363,767**	967,358,726
Income tax payable	**183,271,811**	237,832,123
Reserve for property development	**3,005,343,333**	2,468,349,023
Deferred income on real estate sales	**1,782,897,613**	1,515,687,720
Other current liabilities	**1,836,814,978**	1,398,259,397
Total Current Liabilities	**20,137,999,846**	19,868,346,624
NON-CURRENT LIABILITIES		
Interest-bearing loans and borrowings	**9,880,335,873**	8,337,348,304
Bonds payable	**8,604,827,130**	8,608,407,826
Customers' deposits	**681,253,111**	913,800,498
Advances from related parties	**728,972,493**	661,008,979
Retirement benefit obligation	**372,703,798**	356,762,247
Reserve for property development	**1,957,830,378**	2,023,028,273
Deferred tax liabilities - net	**3,197,146,286**	2,672,496,931
Redeemable preferred shares	**350,684,016**	330,916,959
Deferred income on real estate sales	**1,149,889,593**	1,217,863,024
Other non-current liabilities	**1,272,201,390**	1,245,831,397
Total Non-current Liabilities	**28,195,844,068**	26,367,464,438
Total Liabilities	**48,333,843,914**	46,235,811,062
EQUITY		
Equity attributable to owners of the parent company:		
Capital stock	**10,269,827,979**	10,269,827,979
Additional paid-in capital	**27,157,647,455**	27,157,647,455
Treasury shares	**(4,334,613,117)**	(4,334,613,117)
Revaluation reserves	**24,476,689**	29,487,721
Accumulated translation adjustments	**(59,389,764)**	(73,570,226)
Dilution gain	**1,196,566,827**	1,196,566,827
Retained earnings	**20,163,269,000**	17,059,492,891
	54,417,785,069	51,304,839,530
Non-controlling interest	**31,452,908,878**	30,796,066,359
Total Equity	**85,870,693,947**	82,100,905,889
TOTAL LIABILITIES AND EQUITY	**P 134,204,537,861**	P 128,336,716,951

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED JUNE 30, 2010 AND 2009
(Amounts in Philippine Pesos)
(UNAUDITED)

	2010		2009	
	Year-to-Date	**Quarter**	Year-to-Date	Quarter
REVENUES				
Sale of goods	**P 8,832,934,725**	P 4,525,714,681	P 7,110,276,396	P 3,622,645,822
Real estate sales	**6,100,740,837**	2,993,600,116	6,065,548,074	3,058,447,335
Finance and other income	**2,713,398,633**	1,308,349,826	1,730,103,670	591,692,235
Rendering of services	**1,792,355,063**	979,627,898	1,341,797,669	669,306,494
Realized gross profit on prior years' real estate sales	**714,854,272**	317,595,731	662,729,447	342,430,800
Share in net profits of associates and a joint venture - net	**656,015,624**	378,589,289	66,776,465	17,915,581
Interest income on real estate sales	**449,998,519**	256,495,962	433,102,262	243,459,178
	21,260,297,673	10,759,973,503	17,410,333,983	8,545,897,445
COSTS AND EXPENSES				
Cost of goods sold	**6,460,250,609**	3,315,804,391	5,385,699,667	2,690,160,284
Cost of real estate sales	**4,016,374,964**	2,039,014,433	4,029,836,588	2,051,761,817
General and administrative expenses	**1,377,343,975**	680,720,982	1,157,438,830	582,411,752
Finance costs and other charges	**1,084,375,003**	371,986,571	457,825,619	270,540,943
Selling expenses	**1,016,719,134**	527,572,915	722,062,000	357,429,434
Deferred gross profit on real estate sales	**914,090,734**	431,176,429	983,400,188	432,426,500
Cost of services	**382,488,455**	212,495,098	300,889,674	153,382,311
	15,251,642,874	7,575,770,819	13,037,152,566	6,538,113,041
INCOME BEFORE TAX	**6,008,654,799**	3,184,202,684	4,373,181,417	2,007,784,404
TAX EXPENSE	**1,184,152,433**	577,768,884	817,082,205	425,245,306
NET INCOME	**4,824,502,366**	2,606,433,800	3,556,099,212	1,582,539,098
OTHER COMPREHENSIVE INCOME				
Translation adjustments	**(38,677,811)**	101,151,602	65,301,174	(17,547,055)
Net unrealized fair value gains (losses) on available-for-sale financial assets	**(5,031,032)**	**(236,961,160)**	1,032,423,401	945,532,362
Income tax relating to component of other comprehensive income	**52,878,273**	**52,858,273**	11,440,080	11,440,080
	9,169,430	**(82,951,285)**	1,109,164,655	939,425,387
TOTAL COMPREHENSIVE INCOME	**P 4,833,671,796**	**P 2,523,482,515**	P 4,665,263,867	P 2,521,964,485
Net income attributable to:				
Owners of the parent company	**P 3,686,959,788**	P 2,032,047,471	P 2,580,722,525	P 1,206,295,315
Non-controlling interest	**1,137,542,578**	574,386,329	975,376,687	376,243,783
	P 4,824,502,366	P 2,606,433,800	P 3,556,099,212	P 1,582,539,098
Total comprehensive income attributable to:				
Owners of the parent company	**P 3,696,129,218**	P 1,949,096,186	P 3,689,887,180	P 2,145,720,702
Non-controlling interest	**1,137,542,578**	574,386,329	975,376,687	376,243,783
	P 4,833,671,796	P 2,523,482,515	P 4,665,263,867	P 2,521,964,485
Earnings Per Share for the Net Income Attributable to Owners of the Parent Company - Basic and Diluted	**P 0.3793**	P 0.2091	P 0.2638	P 0.1240

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(Amounts in Philippine Pesos)
(UNAUDITED)

	Notes	2010	2009
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY			
Capital Stock	29	**P 10,269,827,979**	P 10,269,827,979
Additional Paid-in Capital	29	**27,157,647,455**	27,157,647,455
Treasury Shares - at cost	29		
Balance at beginning of period		**(4,334,613,117)**	(3,487,548,482)
Net purchases of treasury shares		**-**	(163,060,690)
Balance at end of period		**(4,334,613,117)**	(3,650,609,172)
Revaluation Reserves			
Balance at beginning of period		**29,487,721**	(1,997,417,235)
Fair value gains (losses) - net	11	**(5,011,032)**	1,032,423,401
Balance at end of period		**24,476,689**	(964,993,834)
Accumulated Translation Adjustments	2		
Balance at beginning of period		**(73,570,226)**	59,561,516
Currency translation adjustments during the period		**14,180,462**	76,741,254
Balance at end of period		**(59,389,764)**	136,302,770
Balance carried forward		**P 33,057,949,242**	P 32,948,175,198

	Notes	**2010**	2009
Balance brought forward		**P 33,057,949,242**	P 32,948,175,198
Dilution Gain	29		
Balance at beginning of period		**1,196,566,827**	45,023,383
Dilution gain recognized during the period	15	**-**	1,151,543,444
Balance at end of period	29	**1,196,566,827**	1,196,566,827
Retained Earnings			
Appropriated for capital expenditures		**446,297,286**	446,297,286
Unappropriated			
Balance at beginning of period		**16,613,195,605**	11,816,885,859
Net income for the period		**3,686,959,788**	2,580,722,525
Cash dividends declared during the period	29	**(583,183,679)**	-
Balance at end of period		**19,716,971,714**	14,397,608,384
Total Retained Earnings		**20,163,269,000**	14,843,905,670
		54,417,785,069	48,988,647,695
NON-CONTROLLING INTEREST			
Balance at beginning of period		**30,796,066,359**	32,971,852,114
Share in consolidated net income		**1,137,542,578**	975,376,687
Dividend from investee		**(480,700,059)**	(306,013,739)
Non-controlling interest in disposed investments		**-**	(3,315,484,644)
Effects of decrease in ownership interest		**-**	(1,139,542,163)
Non-controlling interest in additional investments		**-**	275,420,124
Balance at end of period		**31,452,908,878**	29,461,608,379
TOTAL EQUITY		**P 85,870,693,947**	P 78,450,256,074
Total comprehensive income attributable to:			
Owners of the parent company		**P 3,696,129,218**	P 3,689,887,180
Non-controlling interest		**1,137,542,578**	975,376,687
		P 4,833,671,796	P 4,665,263,867

See Notes to Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(Amounts in Philippine Pesos)
(UNAUDITED)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	P 6,008,654,799	P 4,373,181,417
Adjustments for:		
Fair value losses (gains) - net	695,464,372	(641,421,159)
Share in net profits of associates and a joint venture	(656,015,624)	(66,776,465)
Interest income	(597,747,048)	(1,057,368,366)
Depreciation and amortization	529,397,022	468,049,798
Interest expense	363,905,787	338,436,041
Amortization of trademarks	50,628,638	50,628,638
Dividend income	(33,812,236)	(22,495,408)
Unrealized foreign currency loss (gains) - net	5,447,967	(54,324,144)
Impairment losses	3,000,000	15,320,361
Operating income before working capital changes	6,368,923,677	3,403,230,713
Increase in trade and other receivables	(1,597,877,118)	(2,970,642,765)
Decrease (increase) in inventories	(619,467,808)	497,539,817
Increase in property development costs	(313,026,610)	(278,332,640)
Decrease (increase) in financial assets at fair value through profit or loss	840,543,752	(1,283,494,344)
Increase in other current assets	(34,496,847)	(272,653,825)
Increase (decrease) in trade and other payables	(528,445,764)	2,013,466,757
Increase in reserve for property development	471,796,415	532,721,290
Increase in other liabilities	395,255,164	65,448,169
Increase in deferred income on real estate sales	199,236,462	320,837,365
Increase (decrease) in retirement benefit obligations	15,941,551	(8,692,553)
Increase (decrease) in customers' deposits	(9,542,346)	4,948,050
Cash generated from operations	5,188,840,528	2,024,376,034
Cash paid for taxes	(762,282,908)	(524,114,753)
Net Cash From Operating Activities	4,426,557,620	1,500,261,281
Balance carried forward	P 4,426,557,620	P 1,500,261,281

	2010	2009
Balance brought forward	P 4,426,557,620	P 1,500,261,281
CASH FLOWS FROM INVESTING ACTIVITIES		
Net increase in advances to land owners and joint ventures	(1,500,000,000)	(769,621,332)
Net increase in investments in and advances to associates and other related parties	(840,820,668)	(63,323,193)
Interest received	625,469,962	1,013,164,980
Reductions (additions) to:		
Property, plant and equipment and investment property	(518,281,532)	(1,044,272,840)
Available-for-sale financial assets	45,328,382	618,928,574
Proceeds from sale of investment	277,754,440	2,063,023,158
Cash dividends received	33,812,236	22,495,408
Increase in other non-current assets	(9,561,867)	(737,640,157)
Payments made for the subscribed common stocks of an associate	-	(1,583,687,182)
Net decrease in land for future development	-	145,462,180
Net Cash Used in Investing Activities	(1,886,299,047)	(335,470,404)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in interest-bearing loans and borrowings	754,925,483	1,295,264,510
Interest paid	(775,713,603)	(361,257,597)
Net increase (decrease) in advances from related parties	67,963,514	(225,556,476)
Acquisition of treasury shares	-	(163,060,690)
Net Cash From Financing Activities	47,175,394	545,389,747
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,587,433,967	1,710,180,624
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	31,145,329,040	27,601,662,533
CASH AND CASH EQUIVALENTS OF A DECONSOLIDATED SUBSIDIARY	-	(6,326,056,393)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 33,732,763,007	P 22,985,786,764

Alliance Global Group, Inc. and Subsidiaries
AGING SCHEDULE OF TRADE AND OTHER RECEIVABLES
UNDER CURRENT ASSETS
June 30, 2010
(Amounts in Philippine Pesos)

Trade Receivables		
Current	P	7,727,327,074
1 to 30 days		3,833,693,524
31 to 60 days		2,349,554,822
Over 60 days		596,075,026
Total		14,506,650,446
Less: Allowance for Impairment		90,494,824
Balance at end of year	**P**	**14,416,155,622**